

OGDEN CITY SCHOOL DISTRICT

**Financial Statements
Using the GASB 34 Model**

Year Ended June 30, 2006

OGDEN CITY SCHOOL DISTRICT
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OGDEN CITY SCHOOL DISTRICT
1910 Monroe Blvd
Ogden, Utah 84401

October 25, 2006

To President Belnap, Members of the Board of Education, and
Citizens of the Ogden City School District:

At the close of each fiscal year, school districts are required by state law to publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP). In addition, these statements are to be audited by licensed certified public accountants in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States. Pursuant to that requirement, we hereby issue the Basic Financial Statements of the Ogden City School District for the fiscal year ended June 30, 2006.

Designed to meet the needs of a broad spectrum of readers of financial statements, the Basic Financial Statements are divided into three major sections:

- Introductory section – Introduces the reader to the report and includes this transmittal letter.
- Financial section – Consists of the independent auditor's report, management's discussion and analysis, the basic financial statements, and combining and individual fund statements and schedules.
- Statistical section and notes – Contains substantial selected financial information, but presents tables that differ from financial statements in that they present non-accounting data.

Internal controls. This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To ensure the validity of this report, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Independent audits. Schmitt, Griffiths, Smith & Co., P.C. a firm of licensed certified public accountants, has audited the District's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2005 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2006 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Management's discussion and analysis. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in connection with it. The District's MD&A can be found immediately following the report of the independent auditors.

District profile. The District is a legally separate entity enjoying all rights and privileges accorded political subdivisions in the State of Utah. The District is fiscally independent. Policymaking and legislative authority are vested in the Board of Education. The Board of Education has eight members. The Board of Education is responsible, among other things, for developing policy, adopting the budget, levying taxes, incurring bonded debt, and hiring both the superintendent and business administrator. The superintendent and business administrator are responsible for carrying out the policies of the Board of Education and overseeing the day-to-day operations of the District. The Board of Education is elected on a non-partisan basis. Board members serve four-year staggered terms with no more than four board members elected every two years.

The major purpose of the District is to provide public education for those who reside within the boundaries of Ogden City. To accomplish this purpose during the 2005-06 school year the District provided services through the operation of two traditional high schools, an alternative high school, four middle schools, and fifteen elementary schools. The District also offered various special purpose programs.

The District serves approximately 12,600 students.

Audit committee. The District's independent auditor uses the District's audit committee to communicate certain matters to upper management and the Board. The audit committee includes two members of the Board, the District superintendent, and the business administrator.

Cash management and investments. The District maintains its cash and investments in accordance with all requirements as established by the State of Utah Money Management Act. All district investments are accomplished through the Public Treasurer's Investment Fund (PTIF) administered by the Office of the Utah State Treasurer.

Acknowledgments. We express our sincere appreciation to everyone, both internally and externally, who assisted in the preparation of this report. We would also like to thank the members of the Board of Education for their interest and support in conducting the financial affairs of the District in a responsible and progressive manner.

Respectfully submitted,



Noel R. Zabriskie
Superintendent of Schools



Eugene M. Hart
Business Administrator

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Honorable Board of Education Ogden City School District

We have audited the accompanying financial statements of the governmental activities, each major fund, the proprietary fund and the aggregate remaining fund information of Ogden City School District (the District) as of and for the year ended June 30, 2006, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Ogden City School District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Ogden School Foundation (the Foundation), which is a discretely presented component unit of the District. The Foundation's statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors. As described in Note 1, the financial statements of the Foundation were prepared according to generally accepted accounting principles.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above, present fairly, in all material respects, the financial position of the governmental activities, each major fund, the proprietary fund, and the aggregate remaining fund information of Ogden City School District as of June 30, 2006, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.



In accordance with *Government Auditing Standards*, we have also issued a report dated, September 29, 2006, on our consideration of Ogden City School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and budgetary comparison information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ogden City School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of Ogden City School District. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Schmitt, Giffiter, Simon & C. P. C.

Ogden, Utah
September 29, 2006

Management's Discussion and Analysis

This section of Ogden City School District's Basic Financial Statements presents management's discussion and analysis of the District's financial performance during the year ending June 30, 2006. Please read it in conjunction with the transmittal letter and the District's financial statements, which follow this section.

Financial Highlights

- The District's assets exceeded liabilities by \$28 million at the close of the most recent fiscal year under the GASB 34 reporting model. This is a modest but respectable growth of \$1.5 million in net assets.
- During the year, the combined fund balance of the governmental funds increased by \$1,816,786 to \$21,562,797. Individual components units of this total fluctuated both up and down as is typical from year to year. Most notable was the 27% increase in the unrestricted capital projects fund balance from \$5,967,553 to \$7,553,491. The majority of these funds will be used in building a new magnet elementary school.
- The District experienced a third year of declining student enrollment as evidenced by October 1 student enrollment numbers of 13,141, 12,963, 12,569 and 12,393 for 2002-03, 2003-04, 2004-05 and 2005-06, respectively. The annual decline has slowed as we are experiencing students returning from a year or two in the charter school environment. Nevertheless, fewer students generate fewer state and federal dollars and the district continues to examine new ways of dealing with this revenue problem.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the assets and liabilities of the District, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the net assets of the District changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Fund financial statements. A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are divided into two categories: governmental funds and proprietary funds.

- **Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of

spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general maintenance and operation fund, the debt service fund, and the capital projects fund, each of which are considered to be major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

- **Proprietary funds.** The District uses a proprietary fund to report the activity of the printing and duplicating program in the district.

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$28 million at the close of the most recent fiscal year.

- The district has 40% of its net assets invested in capital assets (e.g., land, buildings and improvements, and furniture and equipment net of accumulated depreciation), less any related debt (general obligation bonds payable and obligations under capital leases less unspent bond proceeds) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- An additional portion of the District's net assets (38%) represents resources that are subject to external restrictions on how they may be used. The majority of the restricted balance is for capital projects.
- The remaining balance of *unrestricted net assets* (23%) may be used to meet the District's obligations to students, employees, and creditors and to honor next year's budget.

OGDEN CITY SCHOOL DISTRICT
Governmental Activities ~ Net Assets

	<u>2006</u>	<u>% of Total</u>		<u>2005</u>	<u>% of Total</u>
Current and other assets	\$ 60,982,090	81.40%	\$	60,962,034	80.72%
Capital Assets	13,938,570	18.60%		14,558,825	19.28%
Total Assets	<u>74,920,660</u>	<u>100.00%</u>		<u>75,520,859</u>	<u>100.00%</u>
Current and other liabilities	42,682,989	90.92%		41,230,029	84.13%
Long-term liabilities outstanding	4,264,465	9.08%		7,778,339	15.87%
Total liabilities	<u>46,947,454</u>	<u>100.00%</u>		<u>49,008,368</u>	<u>100.00%</u>
Net assets:					
Invested in capital assets, net of related debt	11,060,355	39.54%		10,757,330	40.37%
Restricted	10,501,981	37.54%		9,854,020	36.98%
Unrestricted	6,410,870	22.92%		5,901,141	22.65%
Total net assets	<u>\$ 27,973,206</u>	<u>100.00%</u>	\$	<u>26,512,491</u>	<u>100.00%</u>

At the end of the current fiscal year, the District is able to report positive balances in all three categories of net assets. The same situation was true for the prior fiscal year.

Governmental activities

- Overall, revenues at \$91,712,497 were 3.8% above the prior year. Revenues from federal sources, increasing by 8.0% over the prior year, continue to be the highlight in the district's revenue picture. State revenues increased by 7.9% over the prior year, with non-WPU funding making a significant contribution. Unfortunately, much of this non-WPU funding is one-time and/or supplemental and thus may not repeat in subsequent years. Earnings on investments, bolstered by higher rates of return, increased by 69% from the prior year. Revenues from local property taxes remained relatively unchanged from the prior year dipping slightly (1/10%). Historically, the district has experienced 4% to 6% annual growth in property tax revenue.
- The weighted pupil unit (WPU), the basic funding unit for state aid, increased in value by \$98 (4.5%) from \$2,182 (2004-05) to \$2,280 (2005-06). This modest increase in the WPU value, was partially offset by the decline in student numbers. The net result of this increase in value of the WPU and the decline in WPU numbers was that the state funding for Ogden City School District, which was based on WPUs, increased by only 2.08%.
- Despite continuing anxiety concerning funding issues, the district (1) enacted no reduction in staff commensurate with reduced student numbers, (2) continued to honor lane changes and step increases for all employee groups, (3) continued to cover 91% of group insurance premiums as in the past despite escalating costs and was able to give a modest 1.25% COLA to all employee groups.

OGDEN CITY SCHOOL DISTRICT
Financial Analysis ~ Governmental Funds

	2006	2005	Change 2006-2005
Revenues			
Property taxes	\$ 20,080,504	\$ 20,193,987	\$ -113,483
Earnings on investments	1,076,379	635,301	441,078
School Lunch Sales	706,482	727,399	-20,917
Other Local Sources	4,435,096	2,727,038	1,708,058
State Aid	48,377,903	48,237,600	140,303
Federal Aid	17,036,133	15,783,928	1,252,205
Other Financing Sources	5,622	101	5,521
Total revenues	<u>91,718,119</u>	<u>88,305,354</u>	<u>3,412,765</u>
Expenses			
Instructional Services	46,587,061	47,168,548	-581,487
Supporting Services			
Students	5,450,126	5,652,030	-201,904
Instructional staff	8,477,092	8,154,563	322,529
District administration	516,447	549,024	-32,577
School administration	5,111,116	5,048,237	62,879
Business	624,170	638,696	-14,526
Operation and maintenance of facilities	5,727,964	5,380,327	347,637
Transportation	1,599,236	1,652,625	-53,389
Central/Community Service/Other	3,517,983	2,264,072	1,253,911
School lunch services	5,407,595	5,326,083	81,512
Capital Outlay	5,208,596	4,203,659	1,004,937
Debt Service	1,062,987	2,023,467	-960,480
Total expenses	<u>89,290,373</u>	<u>88,061,331</u>	<u>1,229,042</u>
Net Change in Fund Balance	2,427,746	244,023	2,183,723
Fund Balances – beginning	19,135,051	19,501,988	-366,937
Fund Balances – ending	<u>\$ 21,562,797</u>	<u>\$ 19,746,011</u>	<u>\$ 1,816,786</u>

Governmental funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. As the District completed the year, its governmental funds reported a combined fund balance of \$21.5 million which is an increase of \$2.5 million over the previous year. This net increase consists of a \$1,191,743 decrease in reserves for encumbrances as well as an increase of \$272,606 in student activity reserve fund balances. Designated fund balances increased by \$1.5 million in part due to the district's efforts to provide funding for post employment benefits and termination benefits. The undesignated component of fund balance also experienced a net increase of \$1.2 million as the district continued to accumulate funds for the construction of the new magnet elementary school.

- Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into reserved and unreserved portions. Reservations indicate the portion of the District's fund

balances that are not available for appropriation. The unreserved fund balance is, in turn, subdivided between designated and undesignated portions. Designations reflect the District's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. Undesignated balances in the general fund are required by state law to be appropriated in the following year's budget. Fund balances of debt service, capital projects, and other governmental funds are restricted by state law to be spent for the purpose of the fund and are not available for spending at the District's discretion.

General Fund Budgetary Highlights

The Board of Education adopts a budget for an upcoming year prior to the beginning of that fiscal year. Adjustments are accepted and incorporated into the budget throughout the year to reflect the changing nature of revenue streams and identified needs. Such budget adjustments, reflecting the dynamic nature of the budgeting process, are reflected in the final legal budget approved by the Board of Education.

Differences between the original budget and the final legal budget were typical for the year, reflecting additions and/or increases of state and federal funding over original projections. Actual total expenditures were below final budgeted amounts. Revenues were below budgetary estimates primarily as a result of expenditure-driven federal and state grants that are included in the budgets at their full amounts. Such grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Unspent grant amounts are carried forward and included in the succeeding year's budget. As a result, actual grant revenues and expenditures are normally less than the amounts budgeted.

State and federal funding is highly dependent on student numbers and composition. Since state and federal dollars comprise the bulk of total revenue, projecting enrollment growth and trends is a critical part of the budget process.

OGDEN CITY SCHOOL DISTRICT October 1 enrollment

	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>
Elementary	6,384	6,127	6,155	6,265
Middle School	2,807	2,836	2,760	2,668
High School	3,625	3,575	3,214	3,335
Special Schools	<u>325</u>	<u>425</u>	<u>440</u>	<u>125</u>
Total Enrollment	13,141	12,963	12,569	12,393

Capital Asset and Debt Administration

Capital Assets. The capital projects fund is used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students within the District.

Debt Administration. The general obligation bonded debt of the District is limited by state law to 4% of the fair market value of the total taxable property in the District. Therefore, the legal debt limit at June 30, 2006 is approximately \$170 million. In March of 2003, the district refinanced \$3.3 million of outstanding general obligation debt. This debt was completely retired with final payment being made in June 2006. Thus, as of June 30, 2006 the district's legal debt margin was the full \$170 million.

In the interest of full disclosure, it should be noted that on June 27, 2006 a special bond election was duly and lawfully called and held. The result of the election was that the public authorized the Board of Education of Ogden City School District to issue \$95.3 million in general obligation bonds. The initial issuance of \$60 million

was closed on October 11, 2006. The remaining authorization of \$35.3 million is scheduled to be issued in approximately 2 years.

Requests for Information

This financial report is designed to provide a general overview of the Ogden City School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Business Administrator, Ogden City School District, 1950 Monroe Blvd., Ogden, UT 84401.

OGDEN CITY SCHOOL DISTRICT
Statement of Net Assets
June 30, 2006

	<u>Governmental Activities</u>	<u>Component Unit</u>
Assets:		
Cash and investments	\$ 26,590,081	\$ 2,033,235
Receivables:		
Property taxes	14,500,061	-
Other	8,294,162	62,864
Due from other funds	11,597,786	-
Capital assets:		
Land	1,544,046	-
Other capital assets, net of depreciation	12,394,524	1,930
Total assets	<u>74,920,660</u>	<u>2,098,029</u>
Liabilities:		
Accounts payable	1,011,258	4,481
Accrued interest	17,750	-
Accrued salaries	8,069,567	-
Termination benefits	3,856,906	-
Due to other funds	12,683,490	-
Deferred revenue:		
Property taxes	17,044,018	-
Noncurrent liabilities:		
Due within one year	425,000	-
Due in more than one year	3,839,465	-
Total liabilities	<u>46,947,454</u>	<u>4,481</u>
Net Assets:		
Invested in capital assets, net of related debt	11,060,355	-
Restricted for:		
School food services	2,016,723	-
Capital projects	8,436,676	-
Debt service	48,582	-
Foundation	-	2,093,548
Unrestricted	6,410,870	-
Total net assets	<u>\$ 27,973,206</u>	<u>\$ 2,093,548</u>

OGDEN CITY SCHOOL DISTRICT
Statement of Activities
Year Ended June 30, 2006

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	
Governmental activities:						
Instructional services	\$ 47,491,510	\$ -	\$ 20,988,845	\$ -	\$ (26,502,665)	\$ -
Supporting services:						
Students	5,451,212	-	4,355,362	-	(1,095,850)	-
Instructional staff	9,459,865	-	6,291,702	-	(3,168,163)	-
District administration	519,216	-	8,947	-	(510,269)	-
School administration	5,130,072	-	395,407	-	(4,734,665)	-
Business	624,170	-	-	-	(624,170)	-
Operation and maintenance of facilities	6,609,694	-	307,945	-	(6,301,749)	-
Transportation	1,599,236	-	1,842,691	-	243,455	-
Central	1,553,750	-	720,463	-	(833,287)	-
Community services / other	1,964,233	-	1,310,693	-	(653,540)	-
School food services	5,436,027	706,482	4,869,305	-	139,760	-
Capital outlay	3,082,488	-	-	5,208,596	2,126,108	-
Interest on long-term liabilities	146,227	-	-	-	(146,227)	-
Total school district	\$ 89,067,700	\$ 706,482	\$ 41,091,360	\$ 5,208,596	\$ (42,061,262)	\$ -
Component unit:						
Foundation	\$ 631,740	\$ -	\$ 172,384	\$ -	\$ -	\$ (459,356)
General revenues:						
Property taxes levied for:						
General purposes					8,903,280	-
Transportation					419,791	-
Recreation					504,811	-
Debt service					459,644	-
Capital outlay					9,139,745	-
Federal and state aid not restricted to specific purposes					19,114,080	-
Contributions not restricted to specific programs (Foundation)					-	470,118
Earnings on investments					1,076,379	127,618
Miscellaneous					4,462,313	-
Total general revenues					44,080,043	597,736
Change in net assets					2,018,781	138,380
Net assets - beginning, as restated					25,954,425	1,955,168
Net assets - ending					\$ 27,973,206	\$ 2,093,548

OGDEN CITY SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2006

	General	Capital Projects	Other Non-major Governmental Funds	Total Governmental Funds
Assets:				
Cash and investments	\$ 25,952,396	\$ 637,685	\$ -	\$ 26,590,081
Due from other funds	89,694	9,360,111	2,147,981	11,597,786
Property taxes receivable	7,335,581	6,822,279	342,201	14,500,061
Accounts receivable	7,878,467	31,585	384,110	8,294,162
Total assets	\$ 41,256,138	\$ 16,851,660	\$ 2,874,292	\$ 60,982,090
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ 465,886	\$ 519,348	\$ 26,024	\$ 1,011,258
Accrued liabilities	8,040,938	-	28,629	8,069,567
Termination benefits	610,960	-	-	610,960
Due to other funds	12,683,490	-	-	12,683,490
Deferred revenue:				
Property taxes	8,394,048	7,895,636	754,334	17,044,018
Total Liabilities	30,195,322	8,414,984	808,987	39,419,293
Fund balances:				
Reserved for:				
Encumbrances	117,860	316,470	16,874	451,204
State programs	5,765,395	-	-	5,765,395
Student activities	2,013,273	-	-	2,013,273
Debt service	-	566,715	48,582	615,297
Unreserved:				
Designated	2,152,726	-	-	2,152,726
Undesignated, reported in:				
General fund	1,011,562	-	-	1,011,562
Capital projects fund	-	7,553,491	-	7,553,491
Special revenue funds	-	-	1,999,849	1,999,849
Total fund balances	11,060,816	8,436,676	2,065,305	21,562,797
Total liabilities and fund balances	\$ 41,256,138	\$ 16,851,660	\$ 2,874,292	\$ 60,982,090

OGDEN CITY SCHOOL DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2006

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balance - governmental funds	\$ 21,562,797
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$46,002,726 and the accumulated depreciation is \$32,077,371.	13,925,355
To recognize interest accrual and miscellaneous accrual for general obligation bonds to year end.	(17,750)
Internal service funds are used by management to charge the costs of industrial insurance, printing, and warehouse services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	
Capital assets	13,215
Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net assets. Balances at year-end follow:	
Termination benefits	(3,245,946)
Bonds payable	(4,264,465)
Total net assets - governmental activities	<u><u>\$ 27,973,206</u></u>

OGDEN CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2006

	<u>General</u>	<u>Capital Projects</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 9,999,601	\$ 9,299,440	\$ 781,463	\$ 20,080,504
Earnings on investments	1,052,588	23,791	-	1,076,379
School food sales	-	-	706,482	706,482
Other local sources	4,435,096	-	-	4,435,096
State aid	47,191,682	536,323	649,898	48,377,903
Federal aid	12,816,726	-	4,219,407	17,036,133
Total revenues	<u>75,495,693</u>	<u>9,859,554</u>	<u>6,357,250</u>	<u>91,712,497</u>
Expenditures:				
Current:				
Instructional services	46,273,274	308,611	313,787	46,895,672
Supporting services:				
Students	5,450,126	1,086	-	5,451,212
Instructional staff	8,477,092	532,289	-	9,009,381
District administration	516,447	2,769	-	519,216
School administration	5,111,116	18,956	-	5,130,072
Business	624,170	-	-	624,170
Operation and maintenance of facilities	5,727,964	790,737	-	6,518,701
Transportation	1,599,236	-	-	1,599,236
Central	1,553,750	-	-	1,553,750
Other	656,544	-	-	656,544
Community Service	1,307,689	-	-	1,307,689
School food services	-	-	5,407,595	5,407,595
Capital outlay	-	3,554,148	-	3,554,148
Debt service:				
Principal retirement	-	405,000	500,000	905,000
Interest and fiscal charges	-	145,987	12,000	157,987
Total expenditures	<u>77,297,408</u>	<u>5,759,583</u>	<u>6,233,382</u>	<u>89,290,373</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,801,715)</u>	<u>4,099,971</u>	<u>123,868</u>	<u>2,422,124</u>
Other financing sources (uses):				
Transfers	3,581,501	(3,581,501)	-	-
Sale of capital assets	-	5,622	-	5,622
Total other financing sources (uses)	<u>3,581,501</u>	<u>(3,575,879)</u>	<u>-</u>	<u>5,622</u>
Net change in fund balances	<u>1,779,786</u>	<u>524,092</u>	<u>123,868</u>	<u>2,427,746</u>
Fund balances - beginning, as restated	<u>9,281,030</u>	<u>7,912,584</u>	<u>1,941,437</u>	<u>19,135,051</u>
Fund balances - ending	<u>\$ 11,060,816</u>	<u>\$ 8,436,676</u>	<u>\$ 2,065,305</u>	<u>\$ 21,562,797</u>

OGDEN CITY SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Government Funds to the Statement of Activities
Year Ended June 30, 2006

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances-total governmental funds

\$ 2,427,746

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital outlay	\$ 483,960	
Depreciation expense	<u>(1,092,874)</u>	(620,776)

The governmental funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

Repayment of bond principal	905,000	
Interest expense - general obligation bonds	-	
Amortization of bond issuance costs	(12,300)	
Amortization of bond premium	<u>11,760</u>	904,460

In the statement of activities, certain operating expenses -- compensated absences, early retirement and post retirement health -- are measured by the amounts accrued during the year.

In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). During this year, compensated absences increased by \$47,389, termination benefits increased by \$654,337.

(701,726)

Internal service funds are used by the District to charge the costs of various internal services to the individual funds. The net loss of the internal service funds is reported with governmental activities.

9,077

Change in net assets of governmental activities

\$ 2,018,781

OGDEN CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and GAAP Basis
General Fund
Year Ended June 30, 2006

			<u>2006</u>	<u>2005</u>
	<u>Budgetary</u>	<u>Changes in</u>	<u>GAAP</u>	<u>GAAP</u>
	<u>Basis</u>	<u>Reserve for</u>	<u>Basis</u>	<u>Basis</u>
		<u>Encumbrances</u>	<u>Revenue and</u>	<u>Revenue and</u>
			<u>Expenditures</u>	<u>Expenditures</u>
Revenues:				
Local revenue:				
Property taxes	\$ 9,999,601	\$ -	\$ 9,999,601	\$ 10,183,621
Earnings on investments	1,052,588	-	1,052,588	621,579
Student activities and other	4,435,096	-	4,435,096	2,727,038
State	47,191,682	-	47,191,682	47,028,798
Federal	12,816,726	-	12,816,726	11,627,270
Total revenues	<u>75,495,693</u>	<u>-</u>	<u>75,495,693</u>	<u>72,188,306</u>
Expenditures:				
Instructional services	46,373,501	(100,227)	46,273,274	46,864,768
Supporting services:				
Students	5,448,577	1,549	5,450,126	5,652,030
Instructional staff	8,214,659	262,433	8,477,092	8,154,563
District general administration	514,542	1,905	516,447	549,024
School administration	5,111,119	(3)	5,111,116	5,048,237
Business	624,768	(598)	624,170	638,696
Operation and maintenance of facilities	5,740,239	(12,275)	5,727,964	5,380,327
Student transportation	1,609,727	(10,491)	1,599,236	1,652,625
Central	1,553,354	396	1,553,750	981,558
Other	656,544	-	656,544	550,123
Community service	1,307,971	(282)	1,307,689	732,391
Total expenditures	<u>77,155,001</u>	<u>142,407</u>	<u>77,297,408</u>	<u>76,204,342</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,659,308)</u>	<u>(142,407)</u>	<u>(1,801,715)</u>	<u>(4,016,036)</u>
Other financing sources (uses):				
Operating transfers, net	3,581,501	-	3,581,501	3,531,318
Net change in fund balances	<u>1,922,193</u>	<u>(142,407)</u>	<u>1,779,786</u>	<u>(484,718)</u>
Fund balances - beginning	<u>9,891,991</u>	<u>-</u>	<u>9,891,991</u>	<u>10,376,709</u>
Fund balances - ending	<u>\$ 11,814,184</u>	<u>\$ (142,407)</u>	<u>\$ 11,671,777</u>	<u>\$ 9,891,991</u>

OGDEN CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget to Actual - Budgetary Basis
General Fund
Year Ended June 30, 2006

	Budgeted Amounts		Actual - Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Local revenue:				
Property taxes	\$ 9,731,564	\$ 9,698,538	\$ 9,999,601	\$ 301,063
Earnings on investments	500,000	900,000	1,052,588	152,588
Student activities and other	3,462,375	3,685,130	4,435,096	749,966
State	47,123,894	47,174,985	47,191,682	16,697
Federal	14,962,250	16,321,112	12,816,726	(3,504,386)
Total revenues	<u>75,780,083</u>	<u>77,779,765</u>	<u>75,495,693</u>	<u>(2,284,072)</u>
Expenditures:				
Instructional services	48,002,339	48,362,646	46,373,501	1,989,145
Supporting services:				
Students	6,362,291	6,316,957	5,448,577	868,380
Instructional staff	11,155,233	12,068,364	8,214,659	3,853,705
District general administration	614,727	573,918	514,542	59,376
School administration	5,169,280	5,320,047	5,111,119	208,928
Business	687,480	699,226	624,768	74,458
Operation and maintenance of facilities	6,256,298	6,978,867	5,740,239	1,238,628
Student transportation	1,481,885	1,829,761	1,609,727	220,034
Central	483,488	3,385,279	1,553,354	1,831,925
Other	3,879,605	3,223,813	656,544	2,567,269
Community service	1,148,259	1,458,535	1,307,971	150,564
Total expenditures	<u>85,240,885</u>	<u>90,217,413</u>	<u>77,155,001</u>	<u>13,062,412</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,460,802)</u>	<u>(12,437,648)</u>	<u>(1,659,308)</u>	<u>10,778,340</u>
Other financing sources (uses):				
Operating transfers, net	3,581,501	3,581,501	3,581,501	-
Net change in fund balances	<u>(5,879,301)</u>	<u>(8,856,147)</u>	<u>1,922,193</u>	<u>10,778,340</u>
Fund balances - beginning	<u>9,891,991</u>	<u>9,891,991</u>	<u>9,891,991</u>	<u>-</u>
Fund balances - ending	<u>\$ 4,012,690</u>	<u>\$ 1,035,844</u>	<u>\$ 11,814,184</u>	<u>\$ 10,778,340</u>

OGDEN CITY SCHOOL DISTRICT**Statement of Net Assets****Proprietary Funds**

June 30, 2006 and 2005

	Governmental Activities - Internal Service Funds	
	2006	2005
Assets:		
Current assets:		
Due from other funds	\$ 521	\$ -
Capital assets	13,215	19,735
Total assets	<u>\$ 13,736</u>	<u>\$ 19,735</u>
Liabilities:		
Current liabilities:		
Due to other funds	\$ -	\$ 8,556
Accounts payable	-	-
Total liabilities	<u>-</u>	<u>8,556</u>
Net assets:		
Unrestricted	13,736	11,179
Total liabilities and net assets	<u>\$ 13,736</u>	<u>\$ 19,735</u>

OGDEN CITY SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
Years Ended June 30, 2006 and 2005

	Governmental Activities - Internal Service Funds	
	2006	2005
Operating revenues:		
Charges for services	\$ 22,116	\$ 82,727
Operating expenses:		
Salaries	-	12,078
Purchased services	6,082	12,365
Supplies and materials	6,957	15,647
Depreciation	6,520	9,335
Total operating expenses	19,559	49,425
Change in net assets	2,557	33,302
Total net assets - beginning	11,179	(22,123)
Total net assets - ending	<u>\$ 13,736</u>	<u>\$ 11,179</u>

OGDEN CITY SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
Years Ended June 30, 2006 and 2005

	Governmental Activities - Internal Service Funds	
	2006	2005
Cash flows from operating activities:		
Receipts from user departments	\$ 13,039	\$ 51,429
Payments to suppliers	(13,039)	(28,012)
Payments to employees	-	(12,078)
Net cash provided by operating activities	-	11,339
Cash flows from capital and related financing activities:		
Acquisition of capital assets	-	(11,339)
Net cash used by capital and related financing activities	-	(11,339)
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents - beginning	-	-
Cash and cash equivalents - ending	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of change in net assets to net cash provided by operating activities:		
Change in net assets	2,557	33,302
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	6,520	9,335
Change in checks-in-excess	(9,077)	(31,298)
Total adjustments	(2,557)	(21,963)
Net cash provided by operating activities	<u>\$ -</u>	<u>\$ 11,339</u>

OGDEN CITY SCHOOL DISTRICT
Statement of Fiduciary Net Assets
Agency Fund
June 30, 2006

	<u>2006</u>	<u>2005</u>
Assets:		
Due from other funds	<u>\$ 1,085,410</u>	<u>\$ 1,087,894</u>
Liabilities:		
Accounts payable	\$ -	\$ 2,484
Net Assets:		
Unreserved, undesignated	<u>1,085,410</u>	<u>1,085,410</u>
Total liabilities and net assets	<u>\$ 1,085,410</u>	<u>\$ 1,087,894</u>

OGDEN CITY SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2006

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Ogden City School District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

In June 1999, the Governmental Accounting Standards Board unanimously approved Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments. Certain of the significant changes in the Statement include the following:

- The financial statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the District's overall financial position and results of operations.

Financial statements prepared using full-accrual accounting for all of the District's activities.

- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements as of June 30, 2006.

Reporting entity

Ogden City School District operates under a board/superintendent form of government and provides public education to the residents of Ogden, Utah. As required by GAAP, these financial statements present the District and its component unit, Ogden School District Foundation. The District is not a component unit of any other primary government.

- *Discrete component unit.* The Ogden School District Foundation (the Foundation) is a nonprofit organization established under Internal Revenue Service regulations as a conduit for tax-deductible donations to the District. The Foundation exclusively services the District. The financial information of the Foundation is presented according to generally accepted accounting principles. Complete financial statements may be obtained at the Foundation's administrative office located at 1950 Monroe Blvd., Ogden, Utah.

OGDEN CITY SCHOOL DISTRICT
Notes to Basic Financial Statements, Continued
June 30, 2006

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Government-wide and fund financial statements

The *government-wide financial statements* (the statement of net assets and the statement of changes in net assets) display information about the primary government (the District) and its discrete component unit. These statements include the financial activities of the overall government, except for fiduciary activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to a particular function. Depreciation expense for capital assets that can specifically be identified with a function are included in its direct expenses. Depreciation expense for "shared" capital assets (for example, a school building is used primarily for instructional, school administration, operation and maintenance of facilities, and school lunch services) are ratably included in the direct expenses of the appropriate functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Interest on general long-term liabilities is considered an indirect expense and is reported in the statement of activities as a separate line. Program revenues include 1) fees and charges paid by students and other recipients of goods or services offered by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues that are not classified as program revenues, including property taxes, are presented as general revenues.

The *fund financial statements* provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The District reports the following major governmental funds:

- The *general fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

OGDEN CITY SCHOOL DISTRICT
Notes to Basic Financial Statements, Continued
June 30, 2006

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Government-wide and fund financial statements, Continued

- The *debt service fund* accounts for resources accumulated and payments made for principal and interest on general obligation school building bonds.
- The *capital projects fund* accounts for resources accumulated and payments made for the acquisition and improvement of sites, construction and remodel of facilities, and procurement of equipment necessary for providing educational programs for all students within the District. This fund also includes the activities and ending balances of the Municipal Building Authority of the Ogden City School District and debt service related to the Municipal Building Authority's bonds outstanding.

Additionally, the District reports the following fund types:

- *Special revenue funds* are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are restricted to expenditures for specified purposes.
- The *trust and agency fund (a fiduciary fund)* accounts for assets held by the District in either a trustee or agency capacity. These include funds held in an expendable trust by the District for industrial and unemployment insurance.
- The *internal service fund* is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis. The District operates a central print shop.

Measurement focus, basis of accounting and financial statement presentation

The *government-wide and fiduciary fund financial statements* are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without directly giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

OGDEN CITY SCHOOL DISTRICT
Notes to Basic Financial Statements, Continued
June 30, 2006

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Measurement focus, basis of accounting and financial statement presentation, Continued

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when the District receives cash. Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, early retirement and post-employment healthcare benefits, arbitrage rebates, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

Budgetary Data

Budgets are presented on the modified accrual basis of accounting for all governmental funds. Budgets are not adopted on a District level for the Ogden City School District Foundation or the trust and agency fund. All annual appropriations lapse at fiscal year-end with the exception of those indicated as a fund balance reserve. The following procedures are used in establishing the budgetary data reflected in the financial statements.

- During May of each year, the District superintendent submits to the Board of Education (the Board) a proposed operating budget for the next fiscal year commencing July 1st. This budget includes proposed expenditures and the means of financing them. Included also is a final budget for the current year ending June 30th.
- Copies of the proposed budget are made available for public inspection and review by the patrons of the District.

OGDEN CITY SCHOOL DISTRICT
Notes to Basic Financial Statements, Continued
June 30, 2006

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Measurement focus, basis of accounting and financial statement presentation, Continued

- If the District does not exceed the certified tax rate, a public hearing is held prior to June 22nd at which time the budget is legally adopted by resolution of the Board after obtaining taxpayer input. If the District exceeds the certified tax rate, the budget is adopted in August when data is available to set the rates.
- Once adopted, the budget can be amended by subsequent Board action. The Board, upon recommendation of the superintendent, can approve reductions in appropriations, but increases in appropriations by fund require a public hearing prior to amending the budget. In accordance with Utah state law, interim adjustments may be made by administrative transfer of money from one appropriation to another within any given fund.
- Certain interim adjustments in estimated revenue and expenditures during the year ended June 30, 2006, have been included in the final budget approved by the Board, as presented in the financial statements.
- Expenditures may not legally exceed budgeted appropriations at the fund level.

Encumbrance accounting is employed in the governmental funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Negative variances in total revenues and the positive variances in total expenditures are largely a result of federal and state program revenues and related expenditures that do not have a direct impact on the undesignated fund balance. Budgets generally assume the expenditure of all available resources. Therefore, when the budget is prepared, it is assumed these funds will not have a carryover of revenue to a subsequent year. Program revenue received but not spent is restricted and deferred to the subsequent fiscal year. As a result, overall fund revenue variances will be negative, and overall fund expenditure variances will be positive.

Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the District for the purpose of increasing earnings through investment activities and providing efficient management of temporary investments. The pooled investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings. Earnings on pooled funds are apportioned and credited to the funds.

OGDEN CITY SCHOOL DISTRICT
Notes to Basic Financial Statements, Continued
June 30, 2006

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Cash and Cash Equivalents

The District considers cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, including investments in the Public Treasurers' Investment Fund to be cash equivalents.

Inventories

Inventories are valued at cost or, if donated, at fair value when received, using the moving average method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Donated food commodities are reported in the governmental funds and are recorded as revenue when received and as an expense when consumed.

Capital Assets

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings and improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements and portable classrooms	10 - 30
Maintenance equipment	5 - 20
Buses	5 - 10
Furniture	5 - 10
Office equipment	5 - 10
Vehicles	5
Computer equipment	3 - 5

OGDEN CITY SCHOOL DISTRICT
Notes to Basic Financial Statements, Continued
June 30, 2006

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Accrued Wages Payable

Wages payable result from unpaid employee service at the balance sheet date. This amount arises from employee contracts that spread payment for nine months of service over a twelve-month period.

Compensated Absences

Under terms of association agreements, employees can earn vacation and sick leave in amounts varying with tenure and classification. In the event of termination or death, an employee is reimbursed for accumulated vacation days. Accumulated sick leave is also reimbursed to employees that retire, but is dependent on certain criteria being met. The criterion is defined in each employee group's handbook. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a restricted purpose. Designations of fund balance represent tentative plans for future use of financial resources that are subject to change.

OGDEN CITY SCHOOL DISTRICT
Notes to Basic Financial Statements, Continued
June 30, 2006

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures / expenses initially made from it that are properly applicable to another fund, are recorded as expenditures / expenses in the reimbursing fund and as reductions of expenditures / expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as non-operating transfers.

Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) DEPOSITS AND INVESTMENTS

Deposits and investments for the District are governed by the Utah Money Management Act (Utah Code Annotated, Title 51, Chapter 7, "the Act") and by the rules of the Utah Money Management Council ("the Council"). Following are discussions of risks related to its cash management activities.

Custodial Credit Risk

Deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be recovered. The District's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the District to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

As of June 30, 2006, \$2,068,810 of the District's bank balance of \$804,444 was uninsured and uncollateralized. As of June 30, 2005, \$3,048,881 of the District's bank balance of \$1,622,092 was uninsured and uncollateralized.

OGDEN CITY SCHOOL DISTRICT
Notes to Basic Financial Statements, Continued
June 30, 2006

(2) DEPOSITS AND INVESTMENTS, Continued

Credit Risk

Investments. Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The District's policy for limiting the credit risk is to comply with the Utah Money Management Act.

The District is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized basis. The income, gains, and losses, net of administrative fees, of the PTIF are allocated based upon the participant's average daily balances.

As of June 30, 2006 and 2005, the District had \$23,569,720 and \$24,188,703, respectively, invested directly with the PTIF.

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OGDEN CITY SCHOOL DISTRICT
Notes to Basic Financial Statements, Continued
June 30, 2006

(3) OTHER RECEIVABLES

At June 30, 2006, other receivables were comprised of the following:

Local funding	\$ 212,959
State funding	419,704
Federal grants	<u>7,661,499</u>
	<u>\$ 8,294,162</u>

(4) PROPERTY TAXES

The property tax revenue of the District is collected and distributed by the Weber County Treasurer as an agent of the District. Utah statutes establish the process by which taxes are levied and collected. The County Assessor is required to assess real property as of January 1st and complete the tax rolls by May 15th. By July 21st, the County Auditor is to mail assessed value and tax notices to property owners. A taxpayer may then petition the County Board of Equalization between August 1st and August 15th for a revision of the assessed value. The County Auditor makes approved changes in assessed value by November 1st and on this same date the County Auditor is to deliver the completed assessment rolls to the County Treasurer. Tax notices are mailed with a due date of November 30th. Delinquent taxes are subject to a 2% penalty, with a \$10 minimum penalty. If delinquent taxes and penalties are not paid by January 15th of the following year, these delinquent taxes, including penalties, are subject to an interest charge at an annual rate equal to the federal discount rate plus 6%; the interest period is from January 1 until date paid.

Motor vehicles are subject to an "age-based" fee that is due each time a vehicle is registered. The age-based fee is for passenger type vehicles and ranges from \$10 to \$150. The revenues collected in each county from motor vehicle fees is distributed by the county to each taxing entity in which the property is located in the same proportion in which revenue collected from ad valorem real property tax is distributed.

OGDEN CITY SCHOOL DISTRICT
Notes to Basic Financial Statements, Continued
June 30, 2006

(4) PROPERTY TAXES, Continued

As of June 30, 2006, property taxes receivable by the District includes uncollected taxes assessed as of January 1, 2006. It is expected that all assessed taxes will be collected within a five-year period, after which time the County Treasurer may force sale of property to collect the delinquent portion. The property taxes receivable and property taxes deferred revenue accounts at June 30, 2006 are summarized as follows:

<u>Fund description</u>	<u>Receivable</u>	<u>Deferred Revenue</u>
General	\$ 7,335,581	\$ 8,394,048
Debt service	342,201	754,334
Capital projects	6,822,279	7,895,636
Total	<u>\$ 14,500,061</u>	<u>\$ 17,044,018</u>

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OGDEN CITY SCHOOL DISTRICT
Notes to Basic Financial Statements, Continued
June 30, 2006

(5) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2006 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 1,544,046	\$ -	\$ -	\$ 1,544,046
Construction-in-progress	-	-	-	-
Water stock	-	-	-	-
Total capital assets, not being depreciated	<u>1,544,046</u>	<u>-</u>	<u>-</u>	<u>1,544,046</u>
Capital assets, being depreciated:				
Buildings and improvements	39,568,952	-	-	39,568,952
Furniture and equipment	4,523,416	483,960	(104,433)	4,902,943
Total capital assets, being depreciated	<u>44,092,368</u>	<u>483,960</u>	<u>(104,433)</u>	<u>44,471,895</u>
Accumulated depreciation for:				
Buildings and improvements	(28,139,003)	(476,843)	-	(28,615,846)
Furniture and equipment	(2,938,586)	(621,956)	99,017	(3,461,525)
Total accumulated depreciation	<u>(31,077,589)</u>	<u>(1,098,799)</u>	<u>99,017</u>	<u>(32,077,371)</u>
Total capital assets, being depreciated, net	<u>13,014,779</u>	<u>(614,839)</u>	<u>(5,416)</u>	<u>12,394,524</u>
Governmental activities capital assets, net	<u>\$ 14,558,825</u>	<u>\$ (614,839)</u>	<u>\$ (5,416)</u>	<u>\$ 13,938,570</u>

For the year ended June 30, 2006, depreciation expense was charged to functions of the District as follows:

Governmental activities:	
Instructional services	\$ 535,410
Supporting services:	450,484
Instructional staff	84,473
Operations and maintenance	28,432
Food services	-
Total depreciation expense, governmental activities	<u>\$ 1,098,799</u>

OGDEN CITY SCHOOL DISTRICT
Notes to Basic Financial Statements, Continued
June 30, 2006

(6) RETIREMENT PLANS

Defined Benefit Plans

The District contributes to the State and School Contributory Retirement System and State and School Noncontributory Retirement System (collectively, the Systems) which are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (the URS). The URS provides refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953, as amended. The Utah State Retirement Act in Chapter 49 provides for the administration of the URS and plans under the direction of the Utah State Retirement Board whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Systems. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Plan members in the State and School Contributory Retirement System are required to contribute 6.00% of annual covered salary (all or part may be paid by the employer for the employee), and the District is required to contribute 8.89% of annual covered salary. For employees participating in the State and School Noncontributory System, the District is required to contribute 13.38% of annual covered salary. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Utah State Retirement Board.

The District's contributions to the State and School Contributory Retirement System for the years ended June 30, 2006, 2005, and 2004 are \$19,167, \$26,238, and \$30,206, respectively and for the Noncontributory Retirement System for the years ended June 30, 2006, 2005, and 2004 are \$5,783,397, \$5,919,421, and \$4,756,999, respectively. The contributions were equal to the required contributions for each year.

Defined Contribution Plans

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457. The plan, available to all full-time employees, permits them to defer a portion of their salary until future years. Employees are eligible to voluntarily participate from the date of employment and are vested immediately upon participating. Employee contributions to the Section 457 plan totaled \$201,340 for the year ended June 20, 2006. The assets of the plan are administered and held by the URS and a third-party administrator.

OGDEN CITY SCHOOL DISTRICT
Notes to Basic Financial Statements, Continued
June 30, 2006

(6) RETIREMENT PLANS, Continued

Defined Contribution Plans, Continued

The District also participates in a defined contribution plan under Internal Revenue Code Section 401(k) to supplement retirement benefits accrued by participants in the Systems. Employees covered by the State and School Noncontributory Retirement System have a contribution of 1.5% of covered salaries automatically made by the District. Employees participating in the Systems can make additional contributions to the 401(k) plan up to specified limits. Contributions and earnings may be withdrawn by the employee upon termination or may be used as supplemental income upon retirement. The employer 401(k) contributions for the years ended June 30, 2006, 2005 and 2004 were \$815,313, \$740,146, and \$681,402, respectively; the employee contributions for the years ending June 30, 2006, 2005 and 2004 were \$1,433,634, \$1,421,472, and \$1,323,889, respectively. The 401(k) plan funds are fully vested to the participants at the time of deposit. Plan assets are administered and held by the URS.

(7) TERMINATION BENEFITS

The District provides early retirement salary, medical and term life insurance benefits for certain classifications of employees who retire prior to age 65. The benefits are provided in accordance with policies adopted by the Board of Education of the District. Early retirement salary benefits paid and recorded as expenditures during the year totaled \$203,834. At June 30, 2006 there were 9 employees eligible to receive the early retirement benefits. The present value of the projected estimated future cost of post-employment supplemental coverage of current retirees is \$211,457. This figure is based on a four percent discount rate and a health care trend rate which starts at 7.5% and ratably decreases to 5.5% in the year 2010.

In accordance with Board of Education policy, the District provides health coverage to certain retirees who are not yet eligible for Medicare. Retirees receiving this benefit must contribute the same out-of-pocket premium percentage required by active employees. To receive this benefit, a retiring employee must have ten years of service in the District and qualify for retirement under the Utah State Retirement System. At June 30, 2006 there were 119 retirees eligible to receive health coverage. During the year, the District paid \$601,077 for retiree health coverage. The present value of the projected estimated future cost of post-employment supplemental coverage of current retirees is \$3,645,449. This figure is based on a four percent discount rate and a health care trend rate which starts at 7.5% and ratably decreases to 5.5% in the year 2010.

OGDEN CITY SCHOOL DISTRICT
Notes to Basic Financial Statements, Continued
June 30, 2006

(8) RISK MANAGEMENT

The District maintains insurance coverage for general, automobile, personal injury, errors and omissions, employee dishonesty, and malpractice liability up to \$10 million per occurrence through policies administered by the Utah State Risk Management Fund (the Fund). The District also insures its buildings, including those under construction, and contents against all insurable risks of direct physical loss or damage with the Fund. Boiler and machinery is insured to \$100,025,000; automobile physical damage is insured to actual value. The Fund is a public entity risk pool operated by the State for the benefit of the State and local governments within the State. The District pays annual premiums to Fund; the Fund obtains independent coverage for insured events, up to \$25 million per location. This is a pooled arrangement where the participants' pay experienced rated annual premiums, which are designed to pay claims and build sufficient reserves so that the pool will be able to protect the participating entities with its own capital. The pool reinsures excess losses to preserve the capital base. Insurance coverage from coverage by major category of risk has remained relatively constant as compared to the prior fiscal year.

(9) LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2006 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 500,000	\$ -	\$ (500,000)	\$ -	\$ -
Revenue refunding bonds	3,270,000	-	(405,000)	2,865,000	425,000
Total bonds payable, net	3,770,000	-	(905,000)	2,865,000	425,000
Deferred issuance premium	11,760	-	(11,760)	-	-
Compensated absences payable	1,352,076	47,389	-	1,399,465	-
Total governmental activity long-term liabilities	<u>\$ 5,133,836</u>	<u>\$ 47,389</u>	<u>\$ (916,760)</u>	<u>\$ 4,264,465</u>	<u>\$ 425,000</u>
Termination Benefits	<u>\$ 3,407,505</u>	<u>\$ 1,254,310</u>	<u>\$ (804,909)</u>	<u>\$ 3,856,906</u>	<u>\$ 610,960</u>

OGDEN CITY SCHOOL DISTRICT
Notes to Basic Financial Statements, Continued
June 30, 2006

(9) LONG-TERM DEBT, Continued

Payments on the general obligation bonds are made by the debt service fund from property taxes. The annual requirements to amortize all general obligation and revenue refunding bonds outstanding as of June 30, 2006, including interest payments are listed as follows:

Bonded Indebtedness			
Year Ending June 30,	Principal	Interest	Total Debt Service
2007	\$ 425,000	\$ 138,545	\$ 563,545
2008	445,000	118,995	563,995
2009	465,000	98,080	563,080
2010	485,000	75,760	560,760
2011	510,000	51,995	561,995
2012	535,000	26,750	561,750
Total	<u>\$ 2,865,000</u>	<u>\$ 510,125</u>	<u>\$ 3,375,125</u>

Revenue Refunding Bonds

The revenue refunding bonds issued by the Municipal Building Authority of Ogden City School District had an original issue amount of \$5,660,000, are due in annual principal installments ranging from \$425,000 to \$535,000 through 2012. The bonds bear interest ranging from 4.40% to 5.00%. Interest payments are due semi-annually on December 15th and June 15th. The bonds will be repaid with lease payments.

(10) DESIGNATED FOR UNDISTRIBUTED RESERVE

Utah state law allows for the establishment of an undistributed reserve. The Board must authorize expenditures from the undistributed reserve. This reserve is for contingencies. According to State law, the District may not use undistributed reserves in the negotiation or settlement of contract salaries for District employees. The undistributed reserve may not exceed 5% of the current fiscal year's total general fund budgeted expenditures. Use of the reserve requires a written resolution adopted by a majority vote of the Board filed with the Utah State Board of Education and State Auditor.

OGDEN CITY SCHOOL DISTRICT
Notes to Basic Financial Statements, Continued
June 30, 2006

(11) LITIGATION

There are several lawsuits pending in which the District is involved. The District's counsel and insurance carriers estimate that the potential claims against the District, not covered by insurance, resulting from such litigation would not materially effect the financial statements of the District.

(12) GRANTS

The District receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the District's independent auditors and other governmental auditors. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable fund. Based on prior experience, District administration believes such disallowance, if any, would be immaterial.

(13) BEGINNING FUND BALANCE RESTATEMENT

As required by the provisions of Statement 47 of the Governmental Accounting Standards Board, the beginning fund balances for the General Fund and the School Lunch Fund have been adjusted for termination benefits. The General Fund balance was decreased by \$558,066. In addition, on the Statement of Net Assets, termination benefits decreased the beginning unrestricted net assets by \$3,245,946, as of June 30, 2005.

(14) SUBSEQUENT EVENT

As of October 11, 2006, the District obtained a general obligation bond. The bond was issued for \$60,000,000. The payments will begin December 2006 and the last payment made in December 2026. Interest payments are made semi-annually (December and June), and principal payments are made annually (June). The interest rate ranges from 4% to 5%.

OGDEN CITY SCHOOL DISTRICT

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2006

	Special Revenue				Total Nonmajor Governmental Funds
	School Food Service Fund	Recreation Fund	Total	Debt Service	
Assets:					
Due from other funds	\$ 1,683,591	\$ 5,264	\$ 1,688,855	\$ 459,126	\$ 2,147,981
Property taxes receivable	-	-	-	342,201	342,201
Accounts receivable	374,591	7,930	382,521	1,589	384,110
Total assets	\$ 2,058,182	\$ 13,194	\$ 2,071,376	\$ 802,916	\$ 2,874,292
Liabilities:					
Accounts payable	\$ 20,284	\$ 5,740	\$ 26,024	\$ -	\$ 26,024
Accrued liabilities	21,175	7,454	28,629	-	28,629
Deferred revenue - property taxes	-	-	-	754,334	754,334
Total liabilities	41,459	13,194	54,653	754,334	808,987
Fund balances:					
Reserved for debt service	-	-	-	48,582	48,582
Reserve for encumbrances	16,874	-	16,874	-	16,874
Unreserved, undesignated	1,999,849	-	1,999,849	-	1,999,849
Total fund balances	2,016,723	-	2,016,723	48,582	2,065,305
Total liabilities and fund balances	\$ 2,058,182	\$ 13,194	\$ 2,071,376	\$ 802,916	\$ 2,874,292

The notes to the financial statements are an integral part of this statement.

OGDEN CITY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2006

	Special Revenue				
	School Food	Recreation Fund	Total	Debt Service	Nonmajor Governmental Funds
Revenues:					
Property tax	\$ -	\$ 313,787	\$ 313,787	\$ 467,676	\$ 781,463
Lunch sales	706,482	-	706,482	-	706,482
State aid	649,898	-	649,898	-	649,898
Federal aid	4,219,407	-	4,219,407	-	4,219,407
Total revenues	<u>5,575,787</u>	<u>313,787</u>	<u>5,889,574</u>	<u>467,676</u>	<u>6,357,250</u>
Expenditures:					
Current:					
Instructional services	-	313,787	313,787	-	313,787
School food services	5,407,595	-	5,407,595	-	5,407,595
Debt service:					
Principal retirement	-	-	-	500,000	500,000
Interest and fiscal charges	-	-	-	12,000	12,000
Total expenditures	<u>5,407,595</u>	<u>313,787</u>	<u>5,721,382</u>	<u>512,000</u>	<u>6,233,382</u>
Excess of revenues over expenditures	168,192	-	168,192	(44,324)	123,868
Fund balances - beginning	<u>1,848,531</u>	<u>-</u>	<u>1,848,531</u>	<u>92,906</u>	<u>1,941,437</u>
Fund balances - ending	<u>\$ 2,016,723</u>	<u>\$ -</u>	<u>\$ 2,016,723</u>	<u>\$ 48,582</u>	<u>\$ 2,065,305</u>

The notes to the financial statements are an integral part of this statement.

OGDEN SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds - Special Revenue

Year Ended June 30, 2006

With Comparative Totals for 2005

	School Food Services Fund					Recreation Fund					Nonmajor Governmental Funds - Special Revenue	
	Actual - Budgetary to GAAP Basis Reconciliation					Actual - Budgetary to GAAP Basis Reconciliation					Total 2006	Total 2005
	Budgetary Basis	Revenue and Expenditures	Total Changes in Reserve for Encumbrances	GAAP Basis	Revenue and Expenditures	Budgetary Basis	Revenue and Expenditures	Total Changes in Reserve for Encumbrances	GAAP Basis	Revenue and Expenditures	GAAP Basis	Revenue and Expenditures
Revenues:												
Local revenue:												
Other	\$ 706,482	\$ -	\$ -	\$ 706,482	\$ 313,787	\$ -	\$ -	\$ -	\$ 313,787	\$ 1,020,269	\$ 1,031,179	
State	649,898	-	-	649,898	-	-	-	-	-	649,898	595,761	
Federal	4,219,407	-	-	4,219,407	-	-	-	-	-	4,219,407	4,156,658	
Total revenues	5,575,787	-	-	5,575,787	313,787	-	-	-	313,787	5,889,574	5,783,598	
Expenditures:												
Community services	-	-	-	-	313,787	-	-	-	313,787	313,787	303,780	
Support services:												
Other	641,281	-	-	641,281	-	-	-	-	-	641,281	588,823	
Food service personnel	2,608,051	-	-	2,608,051	-	-	-	-	-	2,608,051	2,613,826	
Food	2,170,772	(12,510)	(12,510)	2,158,262	-	-	-	-	-	2,158,262	2,123,660	
Total expenditures	5,420,104	(12,510)	(12,510)	5,407,594	313,787	-	-	-	313,787	5,721,381	5,630,089	
Net change in fund balances	\$ 155,683	\$ 12,510	\$ 12,510	168,193	\$ -	\$ -	\$ -	\$ -	-	168,193	153,509	
Fund balances - beginning				1,848,530					-	1,848,530	1,695,021	
Fund balances - ending				\$ 2,016,723					\$ -	\$ 2,016,723	\$ 1,848,530	

The notes to the financial statements are an integral part of this statement.

OGDEN SCHOOL DISTRICT
Combining Statement of Revenues and Expenditures
Nonmajor Governmental Funds - Special Revenue
Year Ended June 30, 2006

	School Food Services Fund				Recreation Fund				Total Nonmajor Governmental Funds -			
	Budgetary				Budgetary				Special Revenue			
	Final	Basis	Variance		Final	Basis	Variance		Final	Basis	Variance	
	Budgeted	Revenue and	Positive		Budgeted	Revenue and	Positive		Budgeted	Revenue and	Positive	
	Amounts	Expenditures	(Negative)		Amounts	Expenditures	(Negative)		Amounts	Expenditures	(Negative)	
Revenues:												
Local revenue:												
Other	\$ 822,000	\$ 706,482	\$ (115,518)		\$ 257,033	\$ 313,787	\$ 56,754		\$ 1,079,033	\$ 1,020,269	\$ (58,764)	
State	500,000	649,898	149,898				-		500,000	649,898	149,898	
Federal	3,356,000	4,219,407	863,407				-		3,356,000	4,219,407	863,407	
Total revenues	4,678,000	5,575,787	897,787		257,033	313,787	56,754		4,935,033	5,889,574	954,541	
Expenditures:												
Community services					257,033	313,787	(56,754)		257,033	313,787	(56,754)	
Support services												
Other	1,114,705	641,281	473,424				-		1,114,705	641,281	473,424	
Food service personnel	2,834,860	2,608,051	226,809				-		2,834,860	2,608,051	226,809	
Food	2,572,600	2,170,772	401,828				-		2,572,600	2,170,772	401,828	
Total expenditures	6,522,165	5,420,104	1,102,061		257,033	313,787	(56,754)		6,779,198	5,733,891	1,045,307	
Excess (deficiency) of revenues over (under) expenditures	\$ (1,844,165)	\$ 155,683	\$ 1,999,848		\$ -	\$ -	\$ -		\$ (1,844,165)	\$ 155,683	\$ 1,999,848	

The notes to the financial statements are an integral part of this statement.

OGDEN CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and GAAP Basis - Nonmajor Governmental Funds - Debt Service
Year Ended June 30, 2006
With Comparative Totals for 2005

	2006		2005
	Budgetary Basis Revenue and Expenditures	Total Changes in Reserve for Encumbrances	GAAP Basis Revenue and Expenditures
Revenues:			
Property tax	\$ 467,676	\$ -	\$ 467,676
Total revenues	467,676	-	467,676
Expenditures:			
Debt service:			
Bond principal	500,000	-	500,000
Bond interest	10,000	-	10,000
Other	2,000	-	2,000
Total expenditures	512,000	-	512,000
Excess (deficiency) of revenues over (under) expenditures - net change in fund balances	\$ (44,324)	\$ -	(44,324)
Fund balance - beginning			92,906
Fund balance - ending			\$ 48,582

OGDEN CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds - Debt Service
Year Ended June 30, 2006
With Comparative Totals for 2005

	2006			2005
	Final Budgeted Amounts	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)	Actual Amounts
Revenues:				
Property tax	\$ 455,585	\$ 467,676	\$ 12,091	\$ 1,419,583
Earnings on investments	-	-	-	-
Total revenues	<u>455,585</u>	<u>467,676</u>	<u>12,091</u>	<u>1,419,583</u>
Expenditures:				
Debt service:				
Bond principal	500,000	500,000	-	1,425,000
Bond interest	10,000	10,000	-	38,500
Other	38,491	2,000	36,491	750
Total expenditures	<u>548,491</u>	<u>512,000</u>	<u>36,491</u>	<u>1,464,250</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (92,906)</u>	<u>\$ (44,324)</u>	<u>\$ 48,582</u>	<u>\$ (44,667)</u>

OGDEN CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and GAAP Basis - Major Capital Projects Fund
Year Ended June 30, 2006
With Comparative Totals for 2005

	2006			2005
	Budgetary Basis Revenue and Expenditures	Total Changes in Reserve for Encumbrances	GAAP Basis Revenue and Expenditures	GAAP Basis Revenue and Expenditures
Revenues:				
Local sources:				
Property taxes	\$ 9,299,440	\$ -	\$ 9,299,440	\$ 8,287,229
Earnings on investments	23,791	-	23,791	13,722
State	536,323	-	536,323	613,041
Federal	-	-	-	-
Total revenues	9,859,554	-	9,859,554	8,913,992
Expenditures:				
Instructional	306,289	2,322	308,611	686,746
Support services:				
Student	1,086	-	1,086	6,458
Instructional staff	646,701	(114,412)	532,289	307,091
District general administration	2,769	-	2,769	9,338
School administration	18,956	-	18,956	9,749
Business	-	-	-	-
Operations and maintenance	791,430	(693)	790,737	674,591
Central	-	-	-	1,000
Capital outlay	2,379,519	1,174,630	3,554,149	2,508,686
Debt service:				
Principal	405,000	-	405,000	390,000
Interest	145,987	-	145,987	169,217
Total expenditures	4,697,737	1,061,847	5,759,584	4,762,876
Excess (deficiency) of revenues over (under) expenditures	5,161,817	(1,061,847)	4,099,970	4,151,116
Other Financing Sources (Uses):				
Operating transfers, net	(3,581,501)	-	(3,581,501)	(3,531,318)
Sale of fixed assets	5,622	-	5,622	101
Total other financing sources (uses)	(3,575,879)	-	(3,575,879)	(3,531,217)
Net change in fund balances	\$ 1,585,938	\$ (1,061,847)	524,091	619,899
Fund balance - beginning			7,912,584	7,292,685
Fund balance - ending			\$ 8,436,675	\$ 7,912,584

OGDEN CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Major Capital Projects Fund
Year Ended June 30, 2006
With Comparative Totals for 2005

	2006			2005
	Final Budgeted Amounts	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)	Actual Amounts Budgetary Basis
Revenues:				
Local sources:				
Property taxes	\$ 9,030,908	\$ 9,299,440	\$ 268,532	\$ 8,287,229
Earnings on investments	-	23,791	23,791	13,722
Student activities and other	-	-	-	-
State	587,871	536,323	(51,548)	613,041
Federal	181,112	-	(181,112)	-
Total revenues	<u>9,799,891</u>	<u>9,859,554</u>	<u>59,663</u>	<u>8,913,992</u>
Expenditures:				
Instructional	870,316	306,289	564,027	686,746
Support services:				
Student	6,000	1,086	4,914	6,458
Instructional staff	674,149	646,701	27,448	307,091
District general administration	2,500	2,769	(269)	9,338
School administration	24,239	18,956	5,283	9,749
Business	20,000	-	20,000	-
Operations and maintenance	659,607	791,430	(131,823)	675,591
Capital outlay	10,069,612	2,379,519	7,690,093	2,508,686
Debt service:				
Principal	-	405,000	(405,000)	390,000
Interest	-	145,987	(145,987)	169,217
Total expenditures	<u>12,326,423</u>	<u>4,697,737</u>	<u>7,628,686</u>	<u>4,762,876</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,526,532)</u>	<u>5,161,817</u>	<u>7,688,349</u>	<u>4,151,116</u>
Other Financing Sources (Uses):				
Operating transfers, net	(3,581,501)	(3,581,501)	-	(3,531,318)
Sale of capital assets	-	5,622	5,622	101
Total other financing sources (uses)	<u>(3,581,501.00)</u>	<u>(3,575,879)</u>	<u>5,622</u>	<u>(3,531,217)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (6,108,033)</u>	<u>\$ 1,585,938</u>	<u>\$ 7,693,971</u>	<u>\$ 619,899</u>

Table 1
The Facilities
OGDEN CITY SCHOOL DISTRICT
Historical Enrollment of the School

The historical October 1 enrollment of the Central Middle School and the elementary schools that partially "feed" into the School is as follows:

Year	Central Middle School	% Chg From Prior Year	Feeder Elementary Schools					% Change
			Dee	Hillcrest*	Lewis	Taylor	Totals	
2006	476	(0.6)	451	467	496	273	1,687	2.0 %
2005	480	(12.1)	428	455	462	312	1,657	(5.92)
2004	545	(5.55)	473	433	482	370	1,758	(0.02)
2003	577	4.9	522	425	437	379	1,763	0.01
2002	550	(1.8)	489	422	470	380	1,761	4.8
2001	560	(2.7)	547	409	345	380	1,681	(5.1)
2000	576	(13.1)	561	414	392	404	1,771	(0.7)
1999	663	2.8	545	412	402	425	1,784	(2.0)
1998	645	(0.6)	521	393	470	436	1,820	(1.0)
1997	649	5.0	542	377	454	429	1,802	(2.9)
1996	618	(1.1)	646	364	418	428	1,856	2.3
1995	625	(3.1)	587	387	407	433	1,814	5.6
1994	645	(3.4)	558	390	343	427	1,718	2.1
1993	668	(1.6)	679	269	342	393	1,683	(1.9)
1992	679	10.6	618	304	332	398	1,652	(0.4)

* Hillcrest has been a partial feeder school since 1994.
 (Source: The District)

Table 2
Debt Structure
OGDEN CITY SCHOOL DISTRICT
General Obligation Bonds
Outstanding General Obligation Debt (As of June 30, 2006)

<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Current Balance Outstanding</u>
2003(1)	Refunding	\$ 3,300,000	June 15, 2006	\$ -
Total outstanding direct debt				\$ -

(1) Moody's Investors Service has assigned an underlying A1 rating to Ogden City School District. In addition, the current offering will also receive the AAA rating of the State of Utah's School District Bond Guaranty Program (BGP).

Table 3
Debt Structure
Ogden City School District
Debt Service Schedule of Outstanding General Obligation Bonds

NONE

Please refer to Table 2 (previous page)

(Source: The District)

Other Financial Considerations

The Board has entered into various agreements for financing their capital needs. See GENERAL PURPOSE FINANCIAL STATEMENTS OF OGDEN CITY SCHOOL DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2006 - Notes To The Financial Statements "Note 11 - Note Payable".

Table 4
Debt Structure
OGDEN CITY SCHOOL DISTRICT
General Obligation Bonds
Overlapping General Obligation Debt

<u>Tax</u>	<u>(1) 2005 Taxable Value</u>	<u>District's Portion of Assessment</u>	<u>Entity's Percent</u>	<u>G.O. Debt</u>	<u>Overlapping Debt</u>
WBWCD (2)	\$ 27,642,603,619	\$ 2,919,154,067	10.56	35,212,376	\$ 3,718,427
Weber County	8,388,954,077	2,919,154,067	34.80	25,120,000	8,741,760
Ogden City	2,919,154,067	2,919,154,067	100.00	18,025,000	<u>18,025,000</u>
Total overlapping general obligation debt					<u>\$ 35,485,187</u>
Total direct general obligation bonded indebtedness					<u>-</u>
Total direct and overlapping general obligation debt					<u>\$ 35,485,187</u>

(1) Taxable value used in this table excludes the taxable value used to determine uniform fees on tangible personal property. See "FINANCIAL INFORMATION REGARDING OGDEN CITY SCHOOL DISTRICT, OGDEN CITY, WEBER COUNTY, UTAH - Taxable, Fair Market and Market Value Of Property" below.

(2) The Weber Basin Water Conservancy District ("WBWCD") covers all of Morgan County, most of Davis and Weber Counties, and portions of Box Elder and Summit Counties. Principal and interest on WBWCD general obligation bonds are paid from sales of water. WBWCD bonds are shown as overlapping but are self supporting except for a maximum .000193 tax rate.

Note: The State of Utah general obligation debt is not included in overlapping debt because the State currently levies no property tax for payment of its general obligation bonds.

Table 5
Debt Structure
OGDEN CITY SCHOOL DISTRICT
General Obligation Bonds
Debt Ratios

	To 2005 Taxable Value (1)	To Adjusted Fair Market Value (2)	Per Capita Debt Ratio (3)
Direct general obligation debt	0.00 %	0.00 %	\$ 0.00
Direct and overlapping General obligation debt	0.97 %	0.71 %	\$ 389.29

(1) Based on an estimated 2005 taxable value of \$3,147,110,041, which value includes the taxable value used to determine uniform fees on tangible personal property.

(2) Based on an estimated 2005 Market Value of \$4,314,365,562, which value includes the taxable value used to determine uniform fees on tangible personal property.

(3) Based on 2005 calendar year population estimate of 78,309.

No Defaulted Obligations

The Board has never failed to pay principal and interest on its financial obligations when due.

Table 6
Financial Information
OGDEN CITY SCHOOL DISTRICT
Statements of Revenues, Expenditures and Changes in Fund Balances
Maintenance and Operation (General) Fund
(This summary has not been audited)

	Fiscal Year Ended June 30,				
	2006	2005	2004	2003	2002
Revenues:					
Local revenue:					
Property taxes	\$ 9,999,601	\$ 10,183,621	\$ 10,311,946	\$ 10,178,033	\$ 9,871,198
Earnings from investments	1,052,588	621,579	349,951	445,712	637,429
Student activities and other	4,435,096	2,727,038	3,085,744	2,722,665	1,278,882
State of Utah	47,191,682	47,028,798	46,373,378	45,957,684	49,311,698
Federal	12,816,726	11,627,270	8,699,352	6,944,422	6,748,055
Total revenues	<u>75,495,693</u>	<u>72,188,306</u>	<u>68,820,371</u>	<u>66,248,516</u>	<u>67,847,262</u>
Expenditures:					
Instruction and student activities	46,273,274	46,864,768	45,639,257	43,478,738	44,429,762
Support services:					
Students	5,450,126	5,652,030	5,218,624	4,914,187	5,708,382
Instructional staff	8,477,092	8,154,563	6,628,857	5,363,874	6,277,451
District general admin.	516,447	549,024	471,570	568,989	428,365
School administration	5,111,116	5,048,237	4,757,473	4,812,665	4,524,448
Business	624,170	638,696	616,023	578,007	554,159
Operations and maintenance	5,727,964	5,380,327	5,220,278	4,398,883	4,787,376
Student transportation	1,599,236	1,652,625	1,609,160	1,615,782	1,643,234
Central	1,553,750	981,558	452,576	529,160	632,921
Other	656,544	550,123	437,018	435,975	794,431
Community service	1,307,689	732,391	670,008	730,789	697,339
Capital outlay	-	-	-	-	-
Total expenditures	<u>77,297,408</u>	<u>76,204,342</u>	<u>71,720,844</u>	<u>67,427,049</u>	<u>70,477,868</u>
Excess (deficiency) of revenues over expenditures	<u>(1,801,715)</u>	<u>(4,016,036)</u>	<u>(2,900,473)</u>	<u>(1,178,533)</u>	<u>(2,630,606)</u>
Other financing sources (uses):					
Sale of fixed assets	-	-	-	-	-
Operating transfers	3,581,501	3,531,318	3,606,506	2,233,947	2,480,901
Total other financing sources (uses)	<u>3,581,501</u>	<u>3,531,318</u>	<u>3,606,506</u>	<u>2,233,947</u>	<u>2,480,901</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	1,779,786	(484,718)	706,033	1,055,414	(149,705)
Fund balance, beginning of year	9,281,030	10,376,709	9,670,676	8,615,262	8,764,967
Fund balance, end of year	<u>\$ 11,060,816</u>	<u>\$ 9,891,991</u>	<u>\$ 10,376,709</u>	<u>\$ 9,670,676</u>	<u>\$ 8,615,262</u>

(Source: Information taken from the District's audited financial statements and the 2006-2007 budget. This summary itself has not been audited.)

Table 7
Financial Information
OGDEN CITY SCHOOL DISTRICT
Statements of Revenues, Expenditures and Changes in Fund Balances
Capital Projects Fund
(This summary has not been audited)

Fiscal Year Ended June 30,

Revenues:	2006	2005	2004	2003	2002
Local revenue:					
Property tax	\$ 9,299,440	\$ 8,287,229	\$ 8,329,194	\$ 8,289,020	\$ 8,113,816
Earnings from investments	23,791	13,722	9,084	12,320	18,117
Student activities	-	-	95,825	4,154,149	1,865,101
State of Utah	536,323	613,041	621,950	440,748	905,791
Federal	-	-	246,524	287,350	62,494
Total revenues	<u>9,859,554</u>	<u>8,913,992</u>	<u>9,302,577</u>	<u>13,183,587</u>	<u>10,965,319</u>
Expenditures:					
Instruction and student activities	308,611	686,746	812,055	304,488	517,191
Support services:					
Students	1,086	6,458	547	660	-
Instructional staff	532,289	307,091	586,945	529,591	123,064
District general administration	2,769	9,338	2,921	9,982	2,695
School administration	18,956	9,749	23,391	23,005	12,095
Business	-	-	22,459	1,052	7,569
Operations and maintenance	790,737	674,591	694,087	668,076	636,387
Central	-	1,000	-	-	4,684
Food service personnel	-	-	-	993	-
Community service	-	-	-	54,861	-
Capital outlay	3,554,148	2,508,686	2,237,479	8,304,675	5,290,504
Debt service	550,987	559,217	552,755	553,798	553,918
Total expenditures	<u>5,759,583</u>	<u>4,762,876</u>	<u>4,932,639</u>	<u>10,451,181</u>	<u>7,148,107</u>
Excess (deficiency) of revenues over expenditures	<u>4,099,971</u>	<u>4,151,116</u>	<u>4,369,938</u>	<u>2,732,406</u>	<u>3,817,212</u>
Other financing sources (uses):					
Sale of fixed assets	5,622	101	7,742	9,976	-
Operating transfers, net	(3,581,501)	(3,531,318)	(3,606,506)	(2,233,947)	(2,480,901)
Total other financing sources (uses)	<u>(3,575,879)</u>	<u>(3,531,217)</u>	<u>(3,598,764)</u>	<u>(2,223,971)</u>	<u>(2,480,901)</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	<u>524,092</u>	<u>619,899</u>	<u>771,174</u>	<u>508,435</u>	<u>1,336,311</u>
Fund balance, beginning of the year	7,912,584	7,292,685	6,521,511	6,013,076	4,676,765
Fund balance, end of the year	<u>\$ 8,436,676</u>	<u>\$ 7,912,584</u>	<u>\$ 7,292,685</u>	<u>\$ 6,521,511</u>	<u>\$ 6,013,076</u>

(Source: Information taken from the District's audited financial statements and the 2002-03 budget. This summary itself has not been audited.)

Table 8
Financial Information
OGDEN CITY SCHOOL DISTRICT
Balance Sheets - All Fund Types and Account Groups
(This summary has not been audited)

	Fiscal Year Ended June 30,				
	2006	2005	2004	2003	2002
Assets and Other Debits					
Cash and investments	\$ 26,590,081	\$ 26,578,040	\$ 27,521,854	\$ 24,525,192	\$ 19,409,019
Accounts receivable	8,294,162	8,260,926	9,716,014	6,422,989	7,231,024
Property taxes receivable	14,500,061	15,115,053	15,018,095	14,456,354	-
Due from other funds	11,597,786	10,995,715	5,237,914	7,609,083	38,611
Total assets	<u>\$ 60,982,090</u>	<u>\$ 60,949,734</u>	<u>\$ 57,493,877</u>	<u>\$ 53,013,618</u>	<u>\$ 26,678,654</u>
Liabilities and Fund Balance					
Liabilities:					
Checks in excess	\$ -	\$ 2,240,911	\$ 1,830,539	\$ 871,521	\$ 1,339,895
Accounts payable	1,011,258	751,603	399,120	885,387	187,767
Accrued liabilities	8,069,567	8,493,885	8,037,820	7,977,059	7,822,650
Termination benefits	610,960	-	-	-	-
Due to other funds	12,683,490	12,075,053	10,049,127	7,674,183	7,341,289
Deferred revenue	17,044,018	17,642,271	17,675,283	17,829,557	1,371,791
Total liabilities	<u>39,419,293</u>	<u>41,203,723</u>	<u>37,991,889</u>	<u>35,237,707</u>	<u>18,063,392</u>
Fund balance:					
Reserved for encumbrances	451,204	1,642,947	632,876	1,908,500	176,064
Reserved for student activities	5,765,395	1,740,667	1,702,187	1,647,590	1,556,486
Reserved for state programs	2,013,273	5,769,990	5,510,687	4,095,225	3,137,555
Reserved for debt service	615,297	659,620	704,287	933,392	-
Designated	2,152,726	567,834	963,554	5,247,888	574,524
Unreserved, undesignated	10,564,902	9,364,953	9,988,397	3,943,316	3,170,633
Total fund balance	<u>21,562,797</u>	<u>19,746,011</u>	<u>19,501,988</u>	<u>17,775,911</u>	<u>8,615,262</u>
Total liabilities and fund balance	<u>\$ 60,982,090</u>	<u>\$ 60,949,734</u>	<u>\$ 57,493,877</u>	<u>\$ 53,013,618</u>	<u>\$ 26,678,654</u>

(Source: Information taken from the District's audited financial statements. This summary itself has not been audited.)

Table 10
Financial Information
OGDEN CITY SCHOOL DISTRICT
Historical District Tax Rates

Tax Year Ended December 31,

Levy	Maximum Tax Rate(1)	2005-06	2004-05	2003-04	2002-03	2001-02
Basic program (2)	formula	0.001720	0.001800	0.001825	0.001807	0.001785
Voted leeway (3)	0.002200	0.001232	0.001220	0.001218	0.001227	0.001236
Board leeway (4)	0.000400	0.000399	0.000395	0.000394	0.000397	0.000400
Transportation (5)	0.000200	0.000158	0.000156	0.000156	0.000157	0.000158
Tort liability (6)	0.000100	0.000000	0.000000	0.000000	0.000000	0.000000
Recreation (7)	none	<u>0.000190</u>	<u>0.000188</u>	<u>0.000188</u>	<u>0.000189</u>	<u>0.000190</u>
Totals		<u>0.003699</u>	<u>0.0037598</u>	<u>0.003781</u>	<u>0.0037770</u>	<u>0.0037690</u>
Capital outlay (8)	0.002400	0.002303	0.001933	0.001930	0.001944	0.001958
10% of basic program (9)	formula	<u>0.001137</u>	<u>0.001126</u>	<u>0.001124</u>	<u>0.001132</u>	<u>0.001140</u>
Totals		<u>0.003440</u>	<u>0.003059</u>	<u>0.003054</u>	<u>0.003076</u>	<u>0.003098</u>
General obligation						
Debt service (10)	none	<u>0.000173</u>	<u>0.000524</u>	<u>0.000449</u>	<u>0.000605</u>	<u>0.000609</u>
Judgement recovery (11)	none	<u>0.000000</u>	<u>0.000000</u>	<u>0.000000</u>	<u>0.000000</u>	<u>0.000000</u>
Total all		<u>0.007312</u>	<u>0.007342</u>	<u>0.007284</u>	<u>0.007458</u>	<u>0.007476</u>

- (1) Maximum tax rate where applicable under current State law (for the year 2005-2006).
- (2) Set by law for the district's portion of the State Minimum School Program.
- (3) General maintenance and operation revenue. In the early 1960's, District residents approved a voted leeway program, however, because the program was approved prior to 1965, the district can only levy a maximum of 16% of a State devised ratio (that considers weighted pupil units and other factors). The district also approved an addition to the existing voted leeway program in 1984.
- (4) Restricted to class size reduction.
- (5) Combined with state funding to provide student transportation.
- (6) Liability insurance premium.
- (7) Recreational activities plus teacher athletic / activity differential.
- (8) Construction remodeling projects and purchases of school sites / equipment, etc.
- (9) Construction remodeling projects and purchase of school sites / equipment, textbooks, and supplies.
- (10) This maximum limitation is not applicable to levies made to provide for payment of the principal and interest on general obligation bonds authorized by vote of school district electors.
- (11) A "judgement levy" was levied in years 1997 and 1998 for the purpose of collecting additional revenues. The Board has the legal right to levy a "Judgement Levy" in succeeding tax years to make up for any tax revenue shortfall due to tax or revaluation "judgement" circumstances that the Board has no control over. Said tax rate is calculated by the State Tax Commission (Source: The District).

Table 11
Financial Information
OGDEN CITY SCHOOL DISTRICT
Comparative Total Property Tax Rates Within Weber County

Taxing Area (1)	Total Tax Rate Within Taxing Area				
	2006	2005	2004	2003	2002
Farr West City	.021447	.013630	.012852	.012667	.012310
Harrisville City	.014090	.013717	.012985	.012791	.012654
North Ogden City	.014336	.014142	.013746	.013603	.013450
Ogden City	.018229	.017354	.016708	.016434	.016641
Riverdale City	.013918	.013581	.012251	.012006	.011933
Roy City	.014721	.015850	.013869	.013514	.013098
South Ogden City	.014629	.014922	.014143	.013034	.012957

(1) Tax levies are the *total of all taxing districts within the City*

(Source: Utah State Tax Commission and Weber County Auditor.)

Table 12
Financial Information
OGDEN CITY SCHOOL DISTRICT
Taxable and Fair Market Value of Property

Excluding Fee-In-Lieu Valuation

<u>Year</u>	<u>Taxable Value (1)</u>	<u>% change over prior year</u>	<u>Fair Market Value</u>	<u>% change over prior year</u>
2005	\$ 2,875,095,242	2.0%	\$ 4,042,350,763	1.9%
2004	2,818,219,024	0.6%	3,967,070,841	0.7%
2003	2,801,669,635	3.6%	3,939,060,205	3.5%
2002	2,704,724,495	4.4%	3,806,156,377	4.0%
2001	2,590,415,081	8.3%	3,660,934,488	7.7%

Including Fee-In-Lieu Valuation

<u>Year</u>	<u>Taxable Value (1)</u>	<u>% change over prior year</u>	<u>Fair Market Value</u>	<u>% change over prior year</u>
2005	\$ 3,147,110,041	2.0%	\$ 4,314,365,562	1.9%
2004	3,084,706,273	0.1%	4,233,558,090	0.4%
2003	3,080,359,812	3.2%	4,217,750,382	3.2%
2002	2,985,357,187	3.3%	4,086,789,069	3.2%
2001	2,889,312,928	14.6%	3,959,832,335	12.2%

(Source: Property Tax Division, Utah State Tax Commission (as to Taxable Value only))

(1) Taxable values were calculated by reducing the fair market value of primary residential property by 45% for the tax years 2005, 2004, 2003, 2002, and 2001, representing a partial property tax exemption for such property.

Table 13
Financial Information
OGDEN CITY SCHOOL DISTRICT
Historical Summary of Taxable Value of Property

	<u>2005 Taxable Value</u>	<u>Percent of 2005</u>
CENTRALLY ASSESSED VALUES:		
Centrally assessed properties	\$ 104,903,723	3.594 %
LOCALLY ASSESSED VALUES:		
Residential real estate - primary use	1,421,562,510	48.698 %
Residential real estate -- other	40,425,209	1.385
Commercial and industrial real estate	876,593,659	30.029
Real estate - under F.A.A. - agricultural	130,396	.004
Unimproved real estate - non F.A.A.	6,623,573	.227
Total real property	<u>2,345,335,347</u>	<u>80.343 %</u>
Mobile homes - primary residential use	5,083,127	.174 %
Mobile homes -- secondary	-	-
Other personal property	419,773,045	14.380
Total personal property	<u>424,856,172</u>	<u>14.554 %</u>
Fee in lieu property (1)	<u>44,049,527</u>	<u>1.509 %</u>
 Total taxable value	 \$ <u>2,919,144,769</u>	 <u>100.000 %</u>
Total taxable value (less fee in lieu)	\$ <u>2,875,095,242</u>	

(1) See "Financial information regarding Ogden City School District -- Ad Valorem Tax System" (Source: Property Tax Division, Utah State Tax Commission.)

Table 14
Financial Information
OGDEN CITY SCHOOL DISTRICT
Tax Collection Record

Tax Year End 12/31	Total Taxes Levied	Trea- surer's Relief	Net Taxes Assessed	Current Collections	Deliq. Personal Property and Misc. Collect -ions	Total Coll- ections	% of Current Collec- tions to Net Taxes Assessed	% of Total Collec- tions to Net Taxes Assessed
2005	\$ 18,315,983	\$ 243,527	\$ 18,072,456	\$ 16,959,467	\$ 1,027,211	\$ 17,986,678	93.8%	99.5%
2004	18,201,595	204,171	17,997,424	\$ 16,749,872	1,256,575	\$ 18,006,447	93.1%	100.1%
2003	18,235,128	214,604	18,020,524	\$ 16,992,286	1,078,936	18,071,222	94.3%	100.3%
2002	18,196,279	204,540	17,991,739	16,679,299	1,229,051	17,908,350	92.7%	99.5%
2001	17,887,961	208,518	17,679,443	16,541,447	919,272	17,460,719	93.6%	98.8%

1. The District collected fee-in-lieu payments for tax year 2005 of \$1,839,559; 2004 of \$1,882,933; for 2003 of \$1,897,893; for 2002 of \$1,984,642; for 2001 of \$2,072,498; and from tax equivalent property associated with motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State.
2. Excludes redevelopment agencies valuation.
3. Treasurer's relief includes abatements. These Treasurer's relief items are levied against the property, but are never collected and paid to the entity.
4. Delinquent collections include interest; sales of real and personal property; and miscellaneous delinquent collections.

(Source: County Treasurer)

Table 15
Financial Information
OGDEN CITY SCHOOL DISTRICT
Some of the Largest Taxpayers

<u>Taxpayer</u>	<u>Type of Business</u>	<u>(1) 2005 Taxable Valuation</u>	<u>Percentage of District's 2005 Tax Value (2)</u>
Boyer Company	R.E. Developer	\$ 116,380,983	4.0%
Fresenius USA Inc fna Delmed	Medical Supplies	81,804,437	2.8%
Autoliv ASP Inc. fna Morton	Airbag	64,234,562	2.2%
Williams International Corp	Jet Engines	48,831,230	1.7%
Qwest Communications	Comm. Utility	37,018,982	1.3%
Boeing Company	Airplane	34,936,106	1.2%
Pacificorp dba Utah Power	Electric Utility	31,059,426	1.1%
IHC Health Services Inc.	Health Services	28,870,824	1.0%
Newgate Mall LLC	Retail Mall	28,626,896	1.0%
Flying J	Gasoline Retailer	17,336,071	0.6%
Totals		<u>\$ 489,099,517</u>	<u>17.0%</u>

- (1) Taxable value used in this table excludes all tax equivalent property associated with motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State. See "Taxable, Fair Market Value of Property" above.

(Source: County Auditor)

- (2) \$2,919,154,067

OGDEN CITY SCHOOL DISTRICT

**Government Auditing Standards, OMB Circular A-133
and Other Required Reports**

June 30, 2006

(With Independent Auditors' Report Thereon)

OGDEN CITY SCHOOL DISTRICT
Government Auditing Standards, OMB Circular A-133
and Other Required Reports
Year Ended June 30, 2006

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS***

**Honorable Board of Education
Ogden City School District**

We have audited the basic financial statements of Ogden City School District as of and for the year ended June 30, 2006, and have issued our report thereon dated September 29, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Ogden City School District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ogden City School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operation that we consider to be material weaknesses.



This report is intended solely for the information and use of the audit committee, administration, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Schmitt, Higgins, Smith : C. A.C.

September 29, 2006

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

**Honorable Board of Education
Ogden City School District**

Compliance

We have audited the compliance of Ogden City School District with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. Ogden City School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Ogden City School District's administration. Our responsibility is to express an opinion on Ogden City School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Ogden City School District's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Ogden City School District's compliance with those requirements.

In our opinion Ogden City School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.



Internal Control Over Compliance

The management of Ogden City School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Ogden City School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of Ogden City School District as of and for the year ended June 30, 2006, and have issued our report thereon dated September 29, 2006. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements of Ogden City School District. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, administration, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Schmitt, Engle, Smith & Co. P.C.

September 29, 2006

OGDEN CITY SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2006

Federal-Grantor/Pass-Through-Grantor/ Program Title	Federal CFDA Number	Pass-Thru Grantor's Number	Year Ended June 30, 2006		
			Grant Receipts	Revenue Recognized	Expenditures
U.S. Department of Defense (Direct Program):					
ROTC	N/A	N/A	\$ 127,524	\$ 127,524	\$ 127,524
U.S. Department of Education (Direct Program):					
Smaller Learning Communities	84.215	N/A	459,120	534,511	534,511
Enhanced Learning Opportunities	84.215	N/A	318,390	448,714	448,714
FIE - INSPIRE	N/A	N/A	275,255	278,410	278,410
Americorps	94.006	N/A	284,655	491,445	491,445
Carol M. White PEP Grant	84.215	N/A	432,919	682,295	682,295
State of Utah					
LSTA Mini Grant	N/A	N/A	3,558	3,558	3,558
Total direct programs			1,901,421	2,566,457	2,566,457
Passed through Utah State Office of Education:					
Title I Basic Grant	84.010A	060805	1,596,916	2,559,692	2,559,692
	84.010A	050805	529,924	529,924	529,924
LEA Program Improvement	84.010A	060805	159,751	408,295	408,295
Program Improvement	84.215K	060805	-	110,712	110,712
Reading First	84.357	060805	1,715	641,784	641,784
	84.357	050805	228,634	228,634	228,634
Federal, State and Local Partnerships for innovative programs Title V	84.298A	069103	-	2,890	2,890
	84.298A	059103	-	20,350	20,350
Even Start	84.213C	061805	54,197	67,034	67,034
	84.213C	051805	43,774	43,774	43,774
Title I Neglected and Delinquent Children	84.013A	061305	-	46,970	46,970
Title I Comprehensive School Reform	84.332A	062705	-	4,006	4,006
	84.332A	052705	15,475	21,038	21,038
Title I Migrant Education	84.011A	061505	-	132,367	132,367
	84.011A	051505	-	261,687	261,687
IDEA Preschool Disabled	84.173A	065205	-	96,126	96,126
IDEA Disabled	84.027A	061905	258,560	2,751,733	2,751,733
Applied Technology Education	84.048A	062112	128,929	291,634	291,634
Adult Education	84.002A	063308	127,924	193,219	193,219
Prisons and Institutions	84.002A	063308	24,847	26,908	26,908
Drug Free Schools and Communities	84.186A	060912	-	70,934	70,934
	84.186A	050912	24,190	24,190	24,190
Service Learning	93.001	065303	-	13,500	13,500
Improving Teacher Quality	84.367	067403	-	833,341	833,341
	84.367	057403	-	118,519	118,519

OGDEN CITY SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Continued
Year Ended June 30, 2006

Federal Grantor/Pass- Through Grantor/ Program Title	Federal CFDA Number	Pass-Thru Grantor's Number	Year Ended June 30, 2006		
			Grant Receipts	Revenue Recognized	Expenditures
Passed through Utah State Office of Education					
Office of Education, Continued:					
Emergency Immigration Education	84.162A	055705	-	174,279	174,279
NCLB Title IID Educational Tech	84.318X	060703	-	35,110	35,110
	84.318X	050703	-	67,154	67,154
NCLB Title IV 21st Century Learning Cntr	84.287C	066003	113,403	407,470	407,470
Total passed through			<u>3,308,239</u>	<u>10,183,274</u>	<u>10,183,274</u>
Total U.S. Department of Education			<u>5,209,660</u>	<u>12,749,731</u>	<u>12,749,731</u>
U.S. Department of Agriculture (See Note B):					
Passed through Utah State Office of Education:					
Food Distribution (Commodities)	10.550	N/A	295,701	295,701	295,701
National School Lunch Program	10.555	034225	452,594	452,594	452,594
	10.555	034325	2,659,649	2,659,649	2,659,649
School Breakfast	10.553	034425	810,905	810,905	810,905
Child and Adult Food Care Program	10.558	044725	558	558	558
Total U.S. Department of Agriculture			<u>4,219,407</u>	<u>4,219,407</u>	<u>4,219,407</u>
			<u>\$ 9,429,067</u>	<u>\$ 16,969,138</u>	<u>\$ 16,969,138</u>

OGDEN CITY SCHOOL DISTRICT
Notes to Schedule of Expenditures of Federal Awards
June 30, 2006

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Ogden City School District and is presented on the accrual basis of accounting and in accordance with generally accepted accounting principles. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133. All federal financial awards received directly from federal agencies as well as federal financial awards passed through from other governmental agencies are included in these schedules.

Note B - Food Distribution

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

OGDEN CITY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2006

SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Ogden City School District.
2. No instance of noncompliance material to the financial statements of Ogden City School District was disclosed during the audit, as required to be reported in accordance with Government Auditing Standards.
3. No reportable conditions were disclosed during the audit of the major federal award programs.
4. The auditors' report on compliance for the major federal award programs for Ogden City School District expresses an unqualified opinion.
5. No audit findings relative to the major federal award programs for Ogden City School District were reported in the schedule of findings and questioned costs.

6. The programs tested as major federal programs include:

<u>Name</u>	<u>CFDA No.</u>
Food Distribution	10.550
School Breakfast	10.553
National School Lunch Program	10.555
Funds for the Improvement of Education	84.215
Improving Teacher Quality	84.367

7. The threshold for distinguishing Types A and B programs was \$509,000.
8. Ogden City School District was determined to be a low-risk auditee.

OGDEN CITY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs, Continued
Year Ended June 30, 2006

FINDINGS – FINANCIAL STATEMENT AUDIT – CURRENT YEAR:

None

**FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD
PROGRAMS AUDIT:**

None

Independent Auditors' Report
State of Utah Legal Compliance

Honorable Board of Education
Ogden City School District

We have audited the basic financial statements of Ogden City School District for the year ended June 30, 2006, and have issued our report thereon dated September 29, 2006. As part of our audit, we have audited the Ogden City School District's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended June 30, 2006. The District received the following major State assistance programs from the State of Utah:

Minimum School Program
Drivers Education
Capital Outlay Foundation

Our audit also included test work on the District's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide, including:

Public Debt
Cash Management
Purchasing Requirements
Budgetary Compliance
Truth in Taxation and Property Tax Limitations
Other General Compliance Issues

The administration of Ogden City School District is responsible for the District's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.



The results of our audit procedures disclosed no instances of noncompliance with the requirements referred to above.

In our opinion, Ogden City School District complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of service allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major State assistance programs for the year ended June 30, 2006.

Schmitt, Higgins, Simon : C. P. C.

September 29, 2006